

§ 358.8 Are there fees for the conversion of bearer corpora or detached bearer coupons?

We do not charge fees for the conversion of bearer corpora or detached bearer coupons to BECCS or CUBES securities.

§ 358.9 Who is responsible for the cost and risks associated with the shipment of securities?

The following guidelines apply to the transportation of bearer corpora and detached bearer coupons:

- (a) Shipment from the depository institution is at the risk and expense of the depository institution;
- (b) Shipment between our designated agent and the Department, if required, is at our risk and expense; and
- (c) Shipment of securities that are returned to the depository institution is at the risk and expense of the depository institution.

§ 358.10 How are amounts of less than one dollar credited?

Only full dollar amounts can be held in CUBES; principal amounts that include cents cannot be held in CUBES. Upon the conversion of coupons to CUBES, amounts of less than one dollar in aggregate per CUBES CUSIP will not be credited to the account of the depository institution.

Example: A depository institution submits five coupons with face amount of \$346.88 each, and a total dollar amount of \$1,734.40. Upon conversion of these coupons to CUBES, only \$1,734.00 will be credited to the depository institution's account.

§ 358.11 What is required to establish the authority of a depository institution to request conversion?

By submitting bearer corpora and detached bearer coupons for conversion to BECCS and CUBES securities, a depository institution represents that it has the authority to request the conversion.

§ 358.12 What is Treasury's liability if the depository institution does not have authority to convert securities?

We are not liable if the depository institution has no authority to convert the bearer corpora and detached bearer coupons to book-entry form or to take

other actions in respect to book-entry accounts in BECCS and CUBES.

§ 358.13 What is Treasury's liability if the depository institution incurs a loss because it does not follow required procedures?

We are not liable for any loss incurred by the depository institution as a result of its failure to properly follow our procedures.

§ 358.14 What happens when securities are accepted for conversion?

(a) After processing and initial verification, we will transfer the securities accepted to the depository institution's book-entry account, establishing a securities entitlement in TRADES according to 31 CFR part 357 subpart B.

(b) We will do the final verification within twenty (20) business days of initial receipt of the bearer corpora and detached bearer coupons.

(c) If at any time after this twenty (20) day period we determine that the security was improperly credited to the BECCS or CUBES account of the depository institution, such as in the case of a previously undetected, counterfeit security, we reserve the right to adjust the BECCS or CUBES account.

§ 358.15 What happens if securities are adjusted?

(a) If we make an adjustment to all or part of the submitted securities, we will instruct the depository institution to transfer BECCS or CUBES securities of the same payment date and face amount from the depository institution's account to an account that we designate.

(b) If no such BECCS or CUBES securities exist in the depository institution's account, we will instruct the depository institution as to how the adjustment will be made.

(c) If the depository institution fails to comply with our instructions within five (5) business days of receipt of the instructions, we reserve the right to debit the master account of the depository institution for the face value of the adjusted bearer corpora and detached bearer coupons. By the submission of the bearer corpora and detached